Cost Overrun on Mega Projects

398. SHRIMATI JAYAPRADA NAHATA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that many of the mega projects are lagging much behind the scheme and their cost has overrun substantially;

(b) if so, whether Government have made any inquiries into the days and identified the authorities responsible for causing delays thereby wasting the precious funds of Government; and

(c) what action Government propose to take against the delinquent officials/ contractors/companies etc.?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES OF THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRI ARUN SHOURIE): (a) As on October, 1999, out of 35 mega projects costing Rs. 1000 crores and above, 23 projects have reported time and cost overrun with respect to their latest approved schedule and cost. The overall time overrun in these projects varies from 3% to 142% whereas the overall cost overrun in 23 delayed projects is of the order of 27.4%.

(b) A Standing Committee has been set up in each Ministry/Department headed by Additional Secretary/Joint Secretary with representatives of Planning Commission, Department of Expenditure, Ministry of Statistics & Programme Implementation for fixation of responsibility for time and cost overrun in projects costing Rs. 50 crore and above relating to projects under their administrative Ministries on a continuous basis. As on 15th October, 1999 28 proposals for review by the Standing Committee were discussed by the Standing Committees of different Ministries/Department.

(c) The findings of the Committees with specific action proposed by the concerned Ministry/Department form part of the revised cost estimates and the same are submitted for approval and direction of the Cabinet Committee on Economic Affairs.